

counties with the unserved counties within the CMSA. This approach is the equivalent of the census tract approach, since in these cases the company appears to be serving an entire county, but not surrounding counties.

17. For Toms River,<sup>13</sup> a consultant to the telephone company<sup>14</sup> provided zip code identifications. However, there appeared to be errors in the data presented. Therefore, original zip code data from the original source was obtained. The comparison is between Toms River and the rest of the state of New Jersey, which is the comparison made by the telephone company consultant.

#### IV. RESULTS

18. OVERVIEW: Regardless of the type of data utilized I found a clear and systematic pattern of not serving some lower income areas, which turn out to be much more heavily minority areas. Exhibit 1 summarizes the income data across all of the cities studied. In virtually all cases, the areas served have a higher income than the areas not served. Exhibit 2 summarizes the race/ethnic data across all of the cities served. In virtually all cases, the areas served have a lower percentage of non-minority residents than the areas not served.<sup>15</sup>

---

Video Dialtone Service to Selected Communities in Orange County, California, WPC-6913.

<sup>13</sup> In the Matter of the Application of Pacific Bell for Authority pursuant to Section 214 of the Communications Act of 1934 and section 63.01 of the Commission's Rules and Regulations, to Construct and Maintain Advanced Telecommunications Facilities to Provide Video Dialtone Service to Selected Communities in Southern San Francisco Bay Area, California, WPC-6914.

<sup>14</sup> In the Matter of the Application of New Jersey Bell Telephone Company, for Authority Under Section 214 of the Communications Act of 1934, as Amended, to Construct, Operate, Own and Maintain Advanced Fiber Optic Facilities and Equipment to Provide Video Dialtone Service Within a Geographically Defined Area in Dover Township, Ocean county, New Jersey, WPC-6840.

<sup>14</sup> Futurevision of America Corporation, press briefing materials.

<sup>15</sup> The only two instances in which these results do not hold are for the income calculation in the suburbs of Indianapolis and the minority comparison for the suburbs of Denver. These results are likely due to the fact that these comparisons are based on a very small minority population in Indianapolis and a small number of suburban areas served relative to the total suburbs in Denver.

19. One can observe the video dialtone applicants' pattern of underserving low income and/or minority areas which pick a whole county out of a region -- such as Bell Atlantic's Washington area dialtone or PacTel's Orange county and South Bay proposal. For example, in Bell Atlantic's proposal for the Washington D.C. area, one can observe the pattern of underserving low income or minority areas in Bell Atlantic's failure to serve the entire District of Columbia and Prince George's County, both of which contain large minority populations. Bell Atlantic chose instead to serve Montgomery County Maryland and Northern Virginia, areas that have higher incomes and lower percentages of minorities than in the unserved areas. Moreover, even when I analyze separately areas in Virginia and Maryland that fall within the Washington D.C. metropolitan area I observe the same pattern. Areas that are served have higher income and lower percentages of minorities in the served areas.
20. This pattern of underserving lower income and minority areas is also observable in video dialtone proposals that select wire centers within a county or city -- such as the U.S. West and Ameritech proposals. In these cases, I have relied on exchange level or census tract data and find that the lowest income areas are not served and the areas served have higher income and lower percentages of minorities than the areas which are not served.
21. DETAILED COMPARISONS: Furthermore, in trying to defend itself against the issues raised in the Petition to Deny filed by the Center for Media Education and Consumer Federation of America, U S West<sup>16</sup> provides income data on an exchange-by-exchange basis. When combined with the exchange maps provided in the initial filing, this income data shows that the poorest two or three wire centers in the center city are never served (see Exhibits 3-5). These wire centers are always right at the core of the area that is being served. Generally, these are areas cut out of central cities. The rest of the maps are made up of suburbs with one or two high income suburbs being served. These maps corroborate in a graphic way the strong impression that CME/CFA originally had that the companies had skipped over certain low income/minority neighborhoods in center cities.
22. I also was able to identify a similar pattern in Indianapolis and San Diego based on the maps made available. Many lower income, minority areas are not served even though they are contiguous to areas that are served. In these two cases the

---

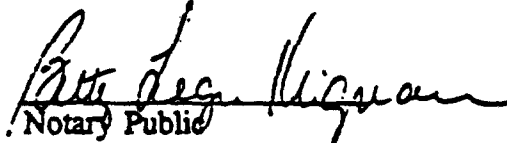
<sup>16</sup> In the Matter of the Application of U S West Communications Inc., for Authority Under Section 214 of the Communications Act of 1934, as Amended, to Construct, Operate Own and Maintain Facilities and Equipment to Provide Video Dialtone Service in Portions of the Portland, Oregon, Denver Colorado, and Minneapolis-St. Paul, Minnesota, Service Area, WPC-6919, 6921, 6922; Petition to Deny of Center for Media Education and Consumer Federation of America and Opposition of U S West.

summary statistics, particularly for minorities, show large differences between served and unserved areas.

23. A similar pattern is observable in the Ameritech proposal in the Chicago area, as Exhibit 6 shows. One small, low income predominantly minority neighborhood is served, but the vast majority of such areas are not.
24. This geographic patterns in the maps have an important implication. Denver, Exhibit 3, provides a clear picture. Right at the center of the map are three exchanges with very low incomes which are not served. These are the lowest income exchanges anywhere in the area covered by this map. Contiguous to these exchanges are exchanges with incomes between 25 percent and 90 percent higher which are served. The fact that these lower income/minority areas which have not been served are contiguous to and in some cases virtually surrounded by areas that have been served makes it highly unlikely that there are technological or geographic issues involved. These unserved exchanges are almost certain to have deployed for telecommunications purposes similar technology to that deployed for the areas which are served.

  
Mark N. Cooper

Subscribed and sworn to before me this 19th day of May, 1994.

  
Notary Public

My Commission Expires October 27, 1996

## **EXHIBITS**

**EXHIBIT 1:**  
**SUMMARY INDICATORS OF ELECTRONIC REDLINING,**  
**INCOME IN SERVED AND UNSERVED AREAS**

CHARACTERISTIC	COMPANY/AREA	VIDEO DIALTONE STATUS	
		SERVED	UNSERVED
AVERAGE HOUSEHOLD INCOME	AMERITECH		
	CHICAGO	51,100	35,265
	BELL ATLANTIC		
	WASHINGTON METRO	66,879	48,615
	MARYLAND METRO	68,007	48,435
	VIRGINIA METRO	66,020	53,805
	TOMS RIVER (NJ)	34,200	37,430
	PACTEL		
	ORANGE COUNTY	57,302	46,237
	SOUTH BAY	57,913	50,161
	SAN DIEGO	51,322	42,080
	CENTER CITY	43,627	36,589
	SUBURBS	64,489	44,427
	US WEST		
	PORTLAND METRO	29,949	27,665
	DENVER METRO	39,209	38,212
	CENTER CITY	32,178	29,518
	SUBURBS	38,724	41,686

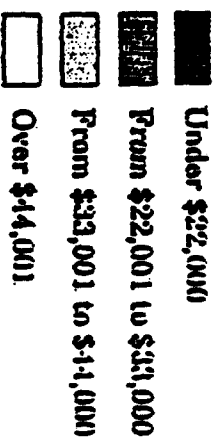
**EXHIBIT 2:**  
**SUMMARY INDICATORS OF ELECTRONIC REDLINING,**  
**PERCENTAGE MINORITY IN SERVED AND UNSERVED AREAS**

CHARACTERISTIC	COMPANY/AREA	VIDEO DIALTONE SERVED	STATUS UNSERVED
PERCENTAGE MINORITY (BLACK AND HISPANIC)	AMERITECH		
	INDIANAPOLIS METRO	11.1	18.4
	CENTER CITY	16.7	35.7
	SUBURBS	1.6	.4
	CHICAGO	8.6	22.1
	BELL ATLANTIC		
	WASHINGTON METRO	17.4	44.0
	MARYLAND METRO	19.6	44.4
	VIRGINIA METRO	15.8	17.1
	TOMS RIVER (NJ)	2.0	12.4
	PACTEL		
	ORANGE COUNTY	15.9	24.8
	SOUTH BAY	14.6	19.4
	SAN DIEGO	10.8	19.1
	CENTER CITY	11.2	24.5
	SUBURBS	6.2	17.9
	US WEST		
	DENVER	11.8	13.5
	CENTER CITY	15.5	33.4
	SUBURBS	6.4	9.3

The map and income data were provided by US WEST<sup>®</sup> as part of their application to the FCC.

Proposed Area  
for Deployment  
by Wire Center

**Median income of households within each wire center**



This related to part of an initiative against "heterosexual milieus," a coalition of conservative and civil rights groups and behind this effort, including the Center for Moral Education (CME), *Conservative Federation of America* (CFA), *National Association for the Advancement of Christian People* (NAACP), *National Council of La Raza* (NCLR), and the *United Church of Christ*, (Office of Communication (UCCO).

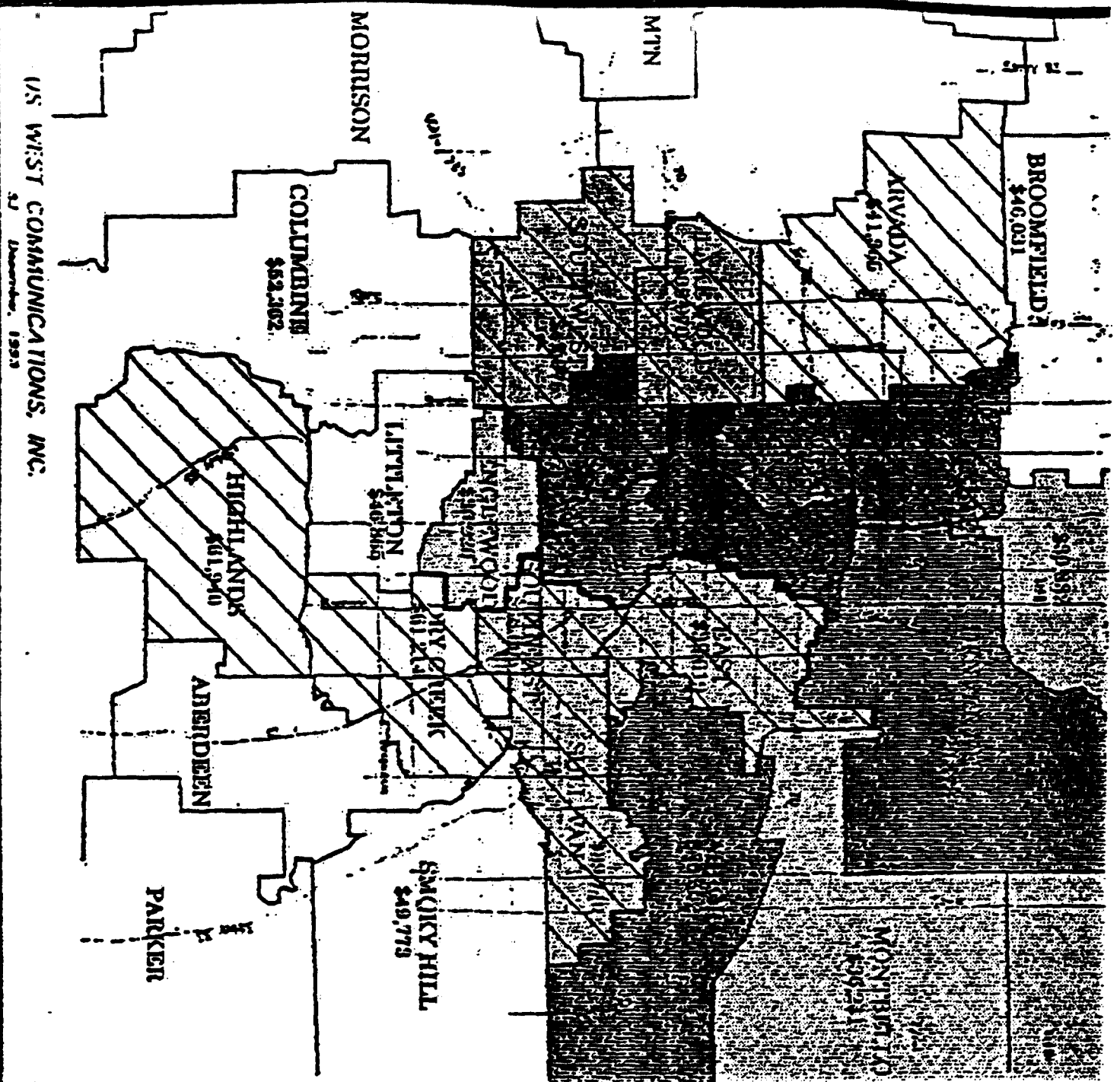
This may be part of the push by the F.C.C.

(Cassett was provided by the

hospital for Public Representation, (Lungcure) (Literately Law Center, and the *Middle Eastern Project*.

CME: "Division of Health" Project provided support for the research.

**DIVINE SERVING AREA**

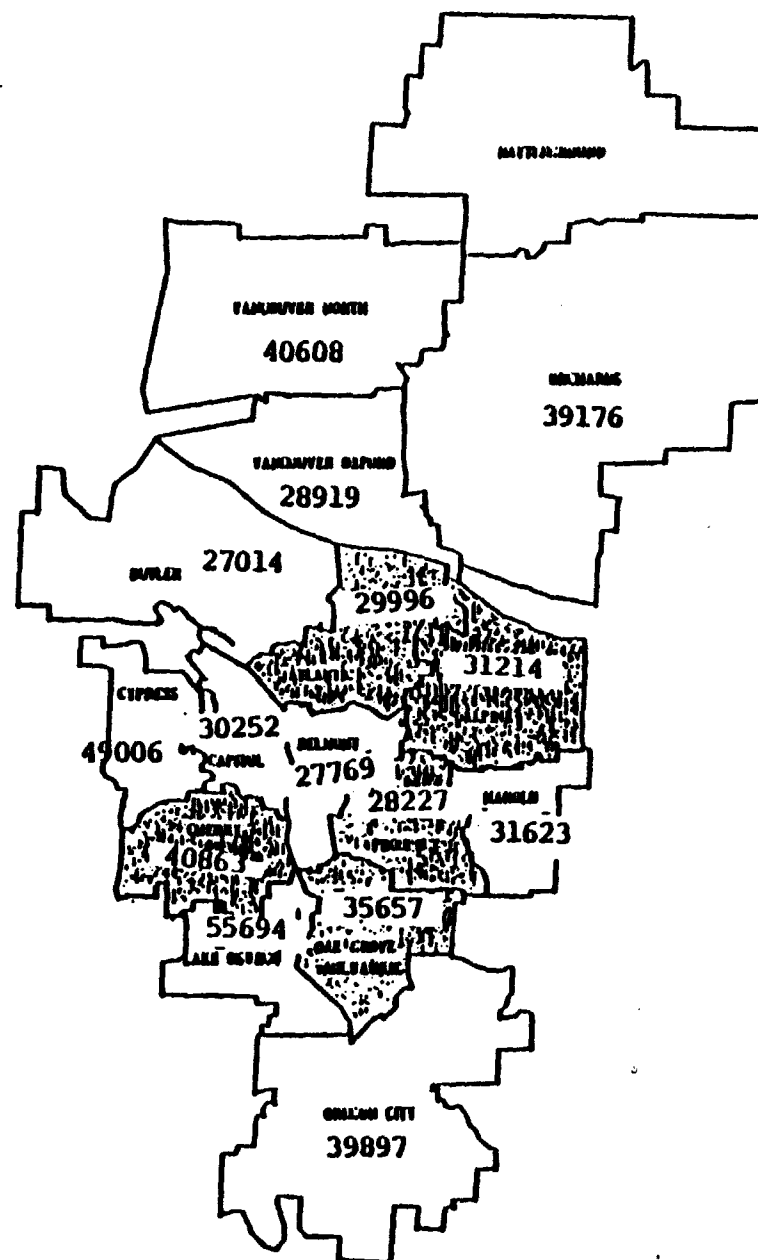


**I/S WEST COMMUNICATIONS, INC.**  
37 University, 1957

2. Description. 199.9

**PROPOSED AREA OF  
DEPLOYMENT FOR  
VIDEO-DIALTONE SERVICE**

 Proposed Area  
for Deployment  
by Wire Center



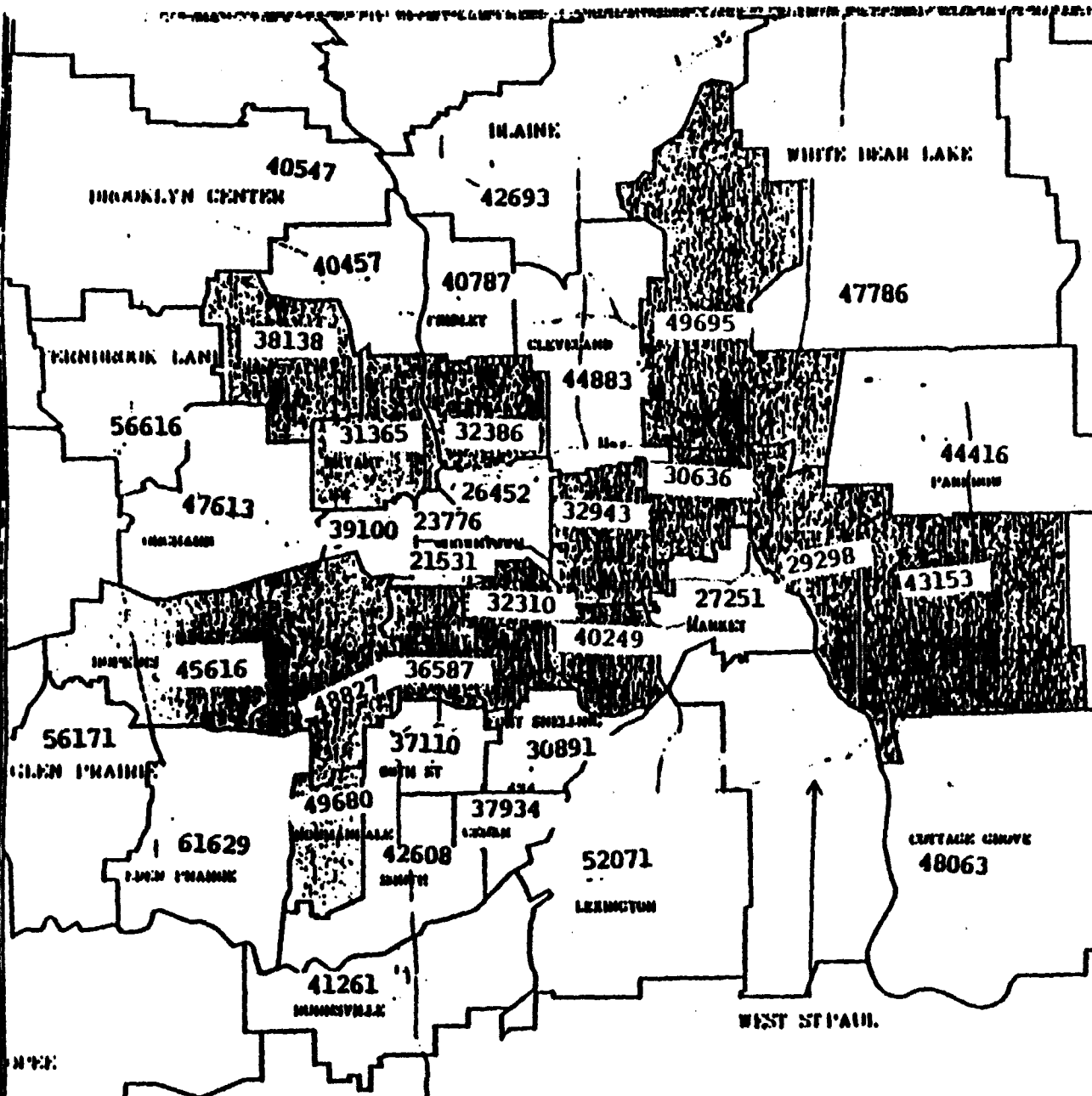
US WEST COMMUNICATIONS, INC.

31 January, 1994

PORTLAND SERVING AREA



**PROPOSED AREA OF  
DEPLOYMENT FOR  
VIDEO-DIALTONE SERVICE**



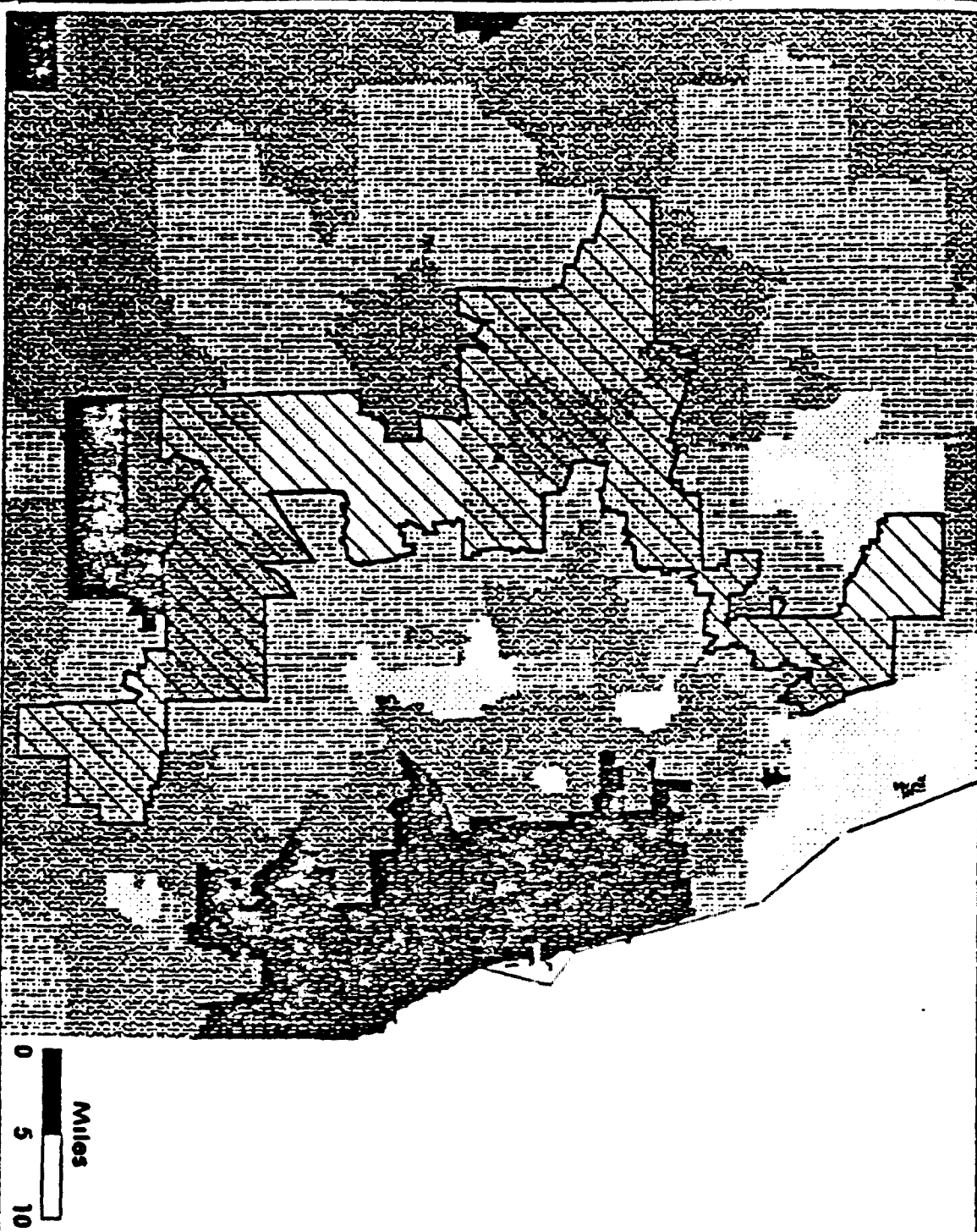
Proposed Area  
for Deployment  
by Wire Center

US WEST COMMUNICATIONS, INC.

31 January, 1994

MPLS/ST PAUL SERVING AREA

# **MEDIAN HOUSEHOLD INCOME ANALYSIS** **INITIAL DEPLOYMENT OF VIDEO DALTONE SERVICE** **(FULLY AFFECTED MUNICIPALITIES)**



## **KEY**



**FULLY AFFECTED MUNICIPALITIES**



**ILLINOIS STATE BOUNDARY**

## **HOUSEHOLD INCOME RANGES**



**\$0 to \$15,000**



**\$15,001 to \$30,000**



**\$30,001 to \$45,000**



**\$45,001 to \$60,000**



**\$60,001 to \$142,000**



**ILLINOIS**

Prepared by: PJ Simanik Demo-Graphics

# PERCENT MINORITY ANALYSIS

INITIAL DEPLOYMENT OF VIDEO DIALTONE SERVICE

(FULLY AFFECTED MUNICIPALITIES)

## KEY



FULLY AFFECTED MUNICIPALITIES



ILLINOIS STATE BOUNDARY

## PERCENT MINORITY



0% to 5%



5% to 20%



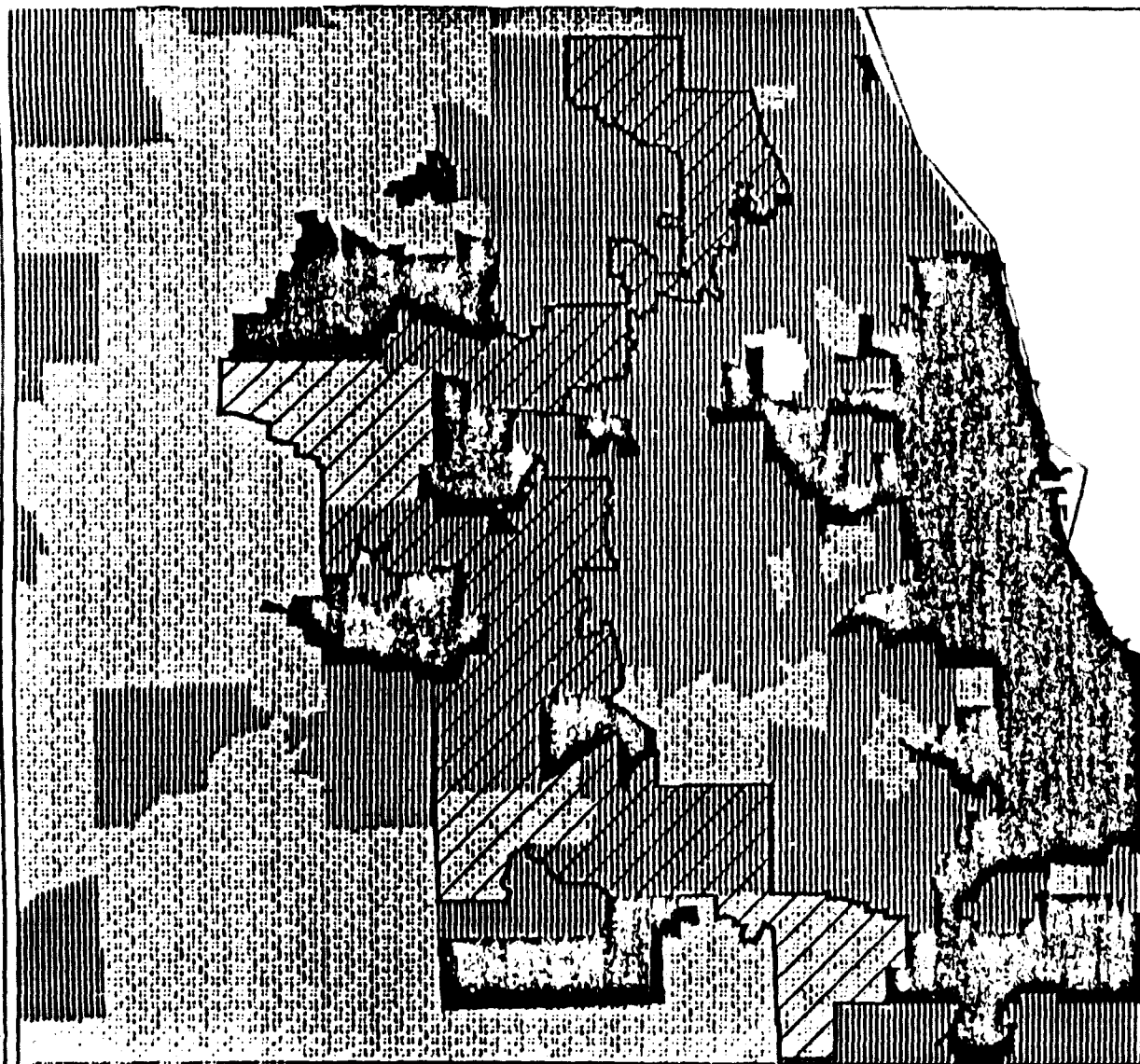
20% to 40%



40% to 60%



60% to 100%



Miles

0 5 10



Prepared by: PJ Simunk Demo-Graphics

## DECLARATION OF ANTHONY L. PHARR

### I. BACKGROUND

1. My name is Anthony L. Pharr, and I reside at 619 Longfellow Street N.W., Washington, D.C. I am legal counsel for the Communications Advocacy Program of the Office of Communication of the United Church of Christ.
2. I am a member of the bar of the District of Columbia. I graduated from Boston University School of Law in 1976. I have a B.A. degree in political science from Tufts University.

### II. FINDINGS RELEVANT TO THE PETITION FOR RELIEF

3. I have closely examined the demographics of the video dialtone service area proposed by Ameritech for the state of Illinois. An analysis of 1990 census information for the 28 municipalities proposed to receive full video dialtone service shows that the median household income of 26 of those municipalities exceeds the household median income of the state of Illinois. Furthermore, minorities account for less than the state-wide average in 22 of the municipalities. The extent of the bias towards upper-income and non-minority communities is illustrated in graphs I and II.
4. Graph I shows that the median household income of 3 municipalities that will receive video dialtone is in the \$60 to \$65 thousand range, 13 in the \$45 to \$60 thousand range, and 10 in the \$32.3 to \$45 thousand range - 26 municipalities, in total, whose median household income exceed the state median income of \$32,252.
5. Graph II shows that minorities account for 0 to 5 percent of the population in 8 municipalities that will receive video dialtone service. In 14 municipalities, minorities account for 5 to 20 percent of the population. Minorities represent 25.5 percent of the population in Illinois overall.
6. The accompanying maps show the location of the proposed service area (striped area) vis a vis the minority population and median household income of the general area. In many instances the proposed video dialtone service area exactly borders communities that are predominantly low-income and/or minority.

### III. CONCLUSIONS

7. Based upon the census tract analysis, I have concluded that the service area proposed by Ameritech tends to exclude communities with median to high concentrations of minorities and low-income residents. The only exception to this pattern is the Harvey community located on the south side of Chicago.

8. The extent of the bias towards non-minority and economically affluent neighborhoods is underscored by the location of the service area which has been drawn to exclude many low-income and minority populations located on its fringes. The inclusion of the predominantly Black Harvey neighborhood is overshadowed by the remaining 95 percent of the service area which generally follows a pattern of low-income and minority exclusion.

#### IV. METHODOLOGY

9. A list of the fully served municipalities was obtained from the Ameritech proposal to provide video dialtone service. Partially served municipalities contained in the application were excluded from the analysis, because it was impossible to determine what portions of those communities would receive service.
10. Computer software containing 1990 census data was used to determine the median household income and minority percentage for each of the fully served municipalities (see chart I). This data provided the information to develop graphs I and II.
11. Atlas Geographic Information Systems mapping software was programmed to generate the maps of the Chicago area. The demographic database of the software contained 1990 census information for the zip codes of each of the municipalities examined.

I declare under penalty of perjury that the foregoing is true and correct. Executed on the 19<sup>th</sup> of May of 1994.

  
\_\_\_\_\_  
Anthony L. Pharr

# CHART I

MEDIAN HOUSEHOLD INCOME AND PERCENT MINORITY AND NONHISPANIC WHITE OF SELECTED PLACES IN ILLINOIS AND MICHIGAN:  
1990

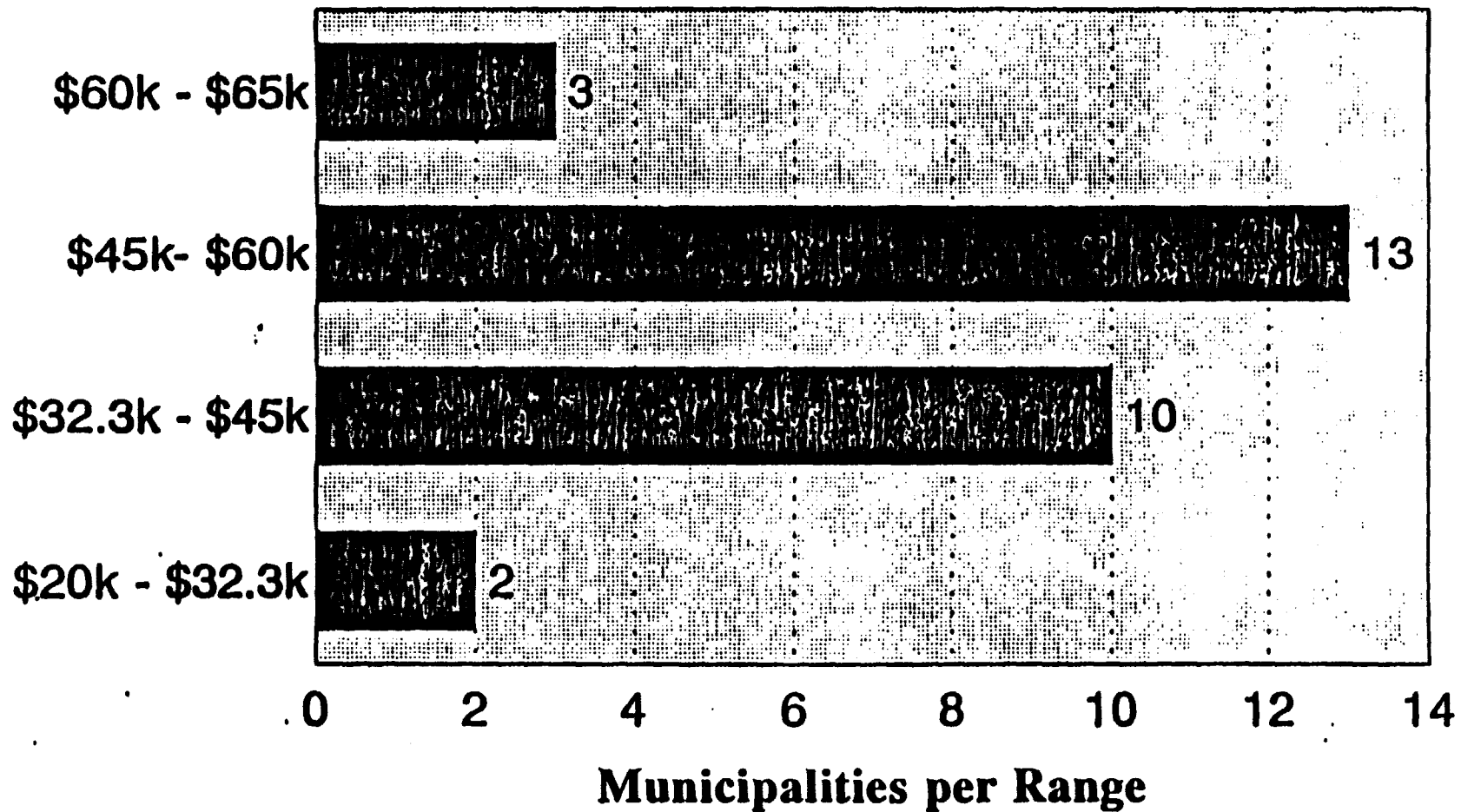
AREANAME	MEDIAN HOUSEHOLD INCOME	MINORITY	NONHISPANIC WHITE
<b>ILLINOIS</b>			
ELGIN	\$35,552.00	29.61	70.39
BARTLETT	\$51,678.00	8.42	91.58
PALATINE	\$48,665.00	7.84	92.16
ROSELLE	\$50,686.00	9.15	90.84
SCHAUMBURG	\$47,026.00	11.31	88.69
HARVEY	\$23,191.00	86.38	13.62
BOLINGBROOK	\$46,161.00	26.48	73.52
LEMONT	\$43,550.00	3.36	96.64
PLAINFIELD	\$43,709.00	1.95	98.05
ROMEOVILLE	\$42,101.00	14.10	85.90
LOCKFORD	\$35,458.00	3.81	96.19
MOKENA	\$42,582.00	2.11	97.89
ORLAND PARK	\$51,685.00	6.16	93.84
NEW LENOX	\$43,665.00	2.25	97.75
FRANKFORD	\$60,425.00	3.18	96.82
JOLIET	\$30,565.00	35.01	64.99
AURORA	\$35,637.00	35.89	64.11
NAPERVILLE	\$61,780.00	8.81	91.19
HAURURVILLE	\$49,678.00	8.37	91.63
WEST CHICAGO	\$37,400.00	33.50	66.50
GENEVA	\$49,143.00	2.76	97.24
WHEATON	\$52,548.00	8.45	91.55
GLEN ELLYN	\$52,637.00	7.82	92.18
ARLINGTON HEIGHTS	\$51,446.00	7.07	92.93
WHEELING	\$39,646.00	14.71	85.29
ELK GROVE	\$48,661.00	12.18	88.82
LAKE ZURICH	\$58,536.00	7.07	92.93
BARRINGTON	\$64,732.00	3.16	96.84
<b>MICHIGAN</b>			
WARREN	\$35,979.00	3.58	96.42
BIRMINGHAM	\$57,691.00	2.67	97.33

SOURCE: ELCA DEPT FOR RESEARCH AND EVALUATION FROM 1990 U.S. CENSUS

# ILLINOIS VIDEO DIALTONE MUNICIPALITIES GROUPED BY HOUSEHOLD INCOME RANGE (Fully Served Municipalities)

---

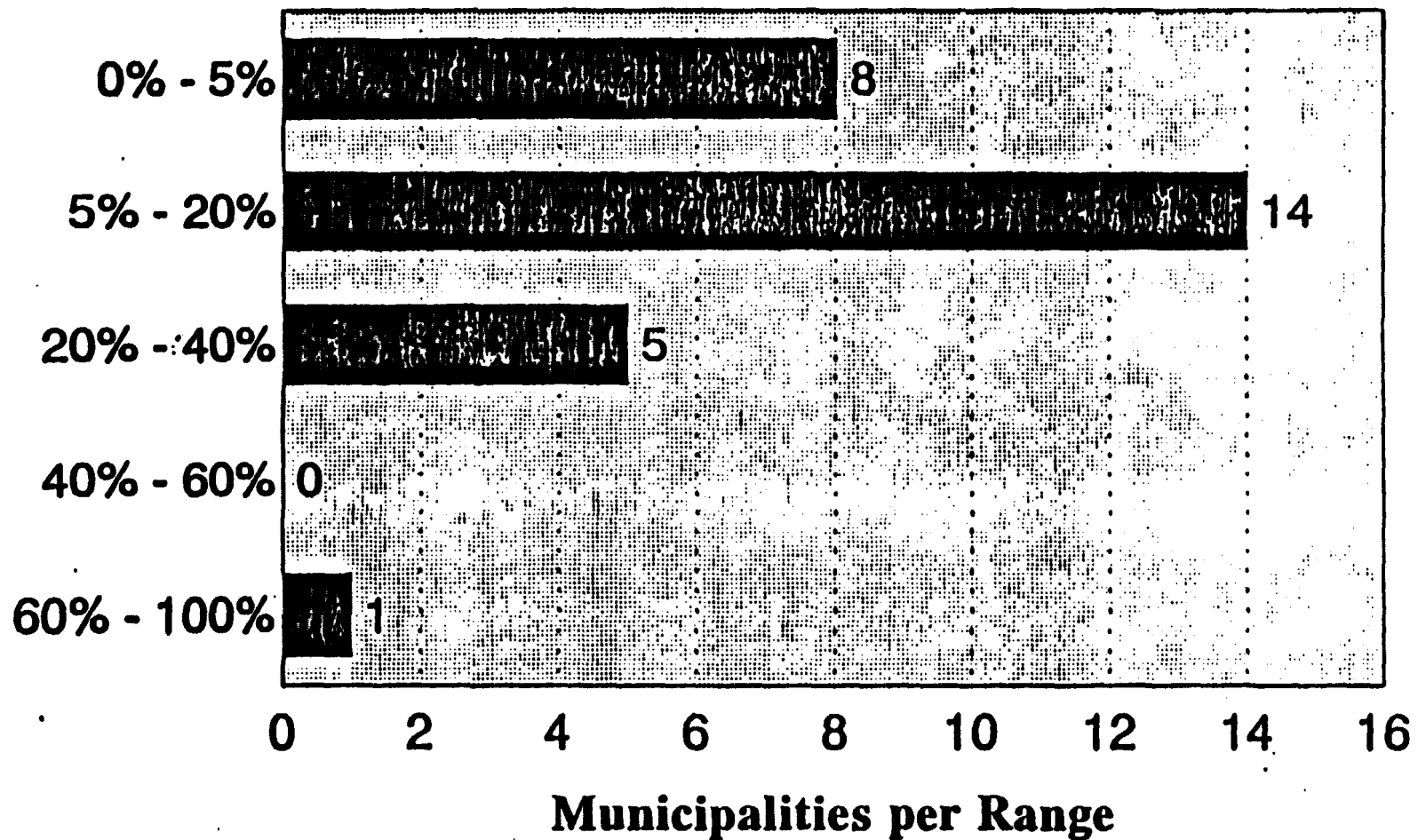
## Income Ranges



Data: Ameritech Video Dailtone application; 1990 Census

# ILLINOIS VIDEO DIALTONE MUNICIPALITIES GROUPED BY PERCENTAGE MINORITY RANGE (Fully Served Municipalities)

**% Minority Ranges**



Data: Ameritech Video Dailtone application; 1990 Census

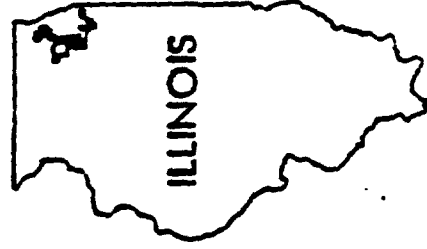
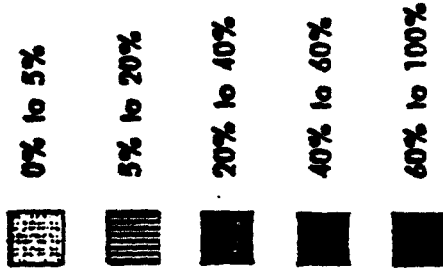


# PERCENT MINORITY ANALYSIS INITIAL DEPLOYMENT OF VIDEO DIALTONE SERVICE (FULLY AFFECTED MUNICIPALITIES)

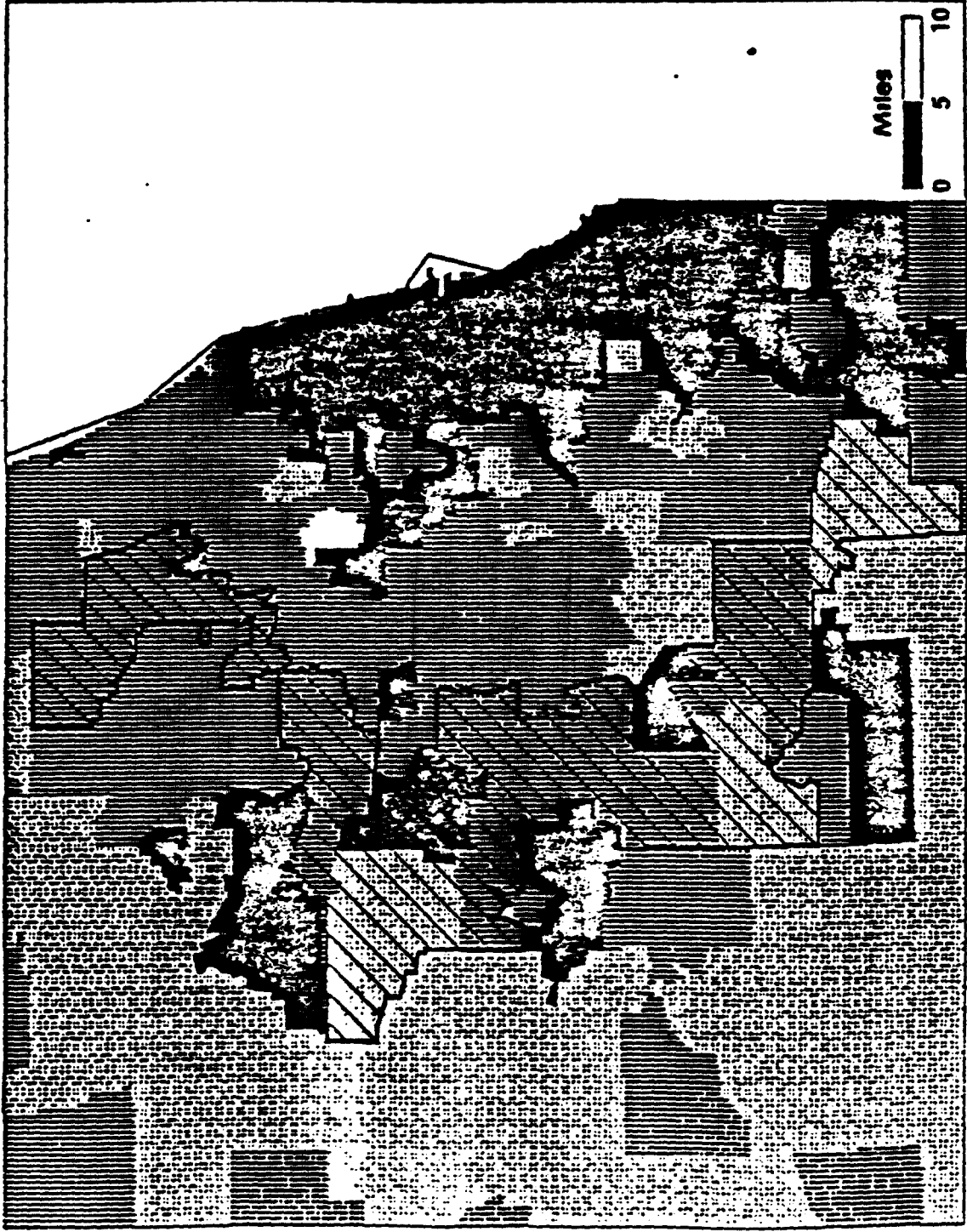
KEY



## PERCENT MINORITY

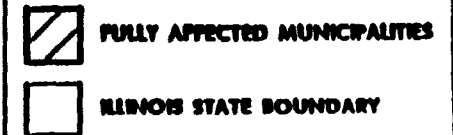


Prepared by: PJ Simonik Demo-Graphics

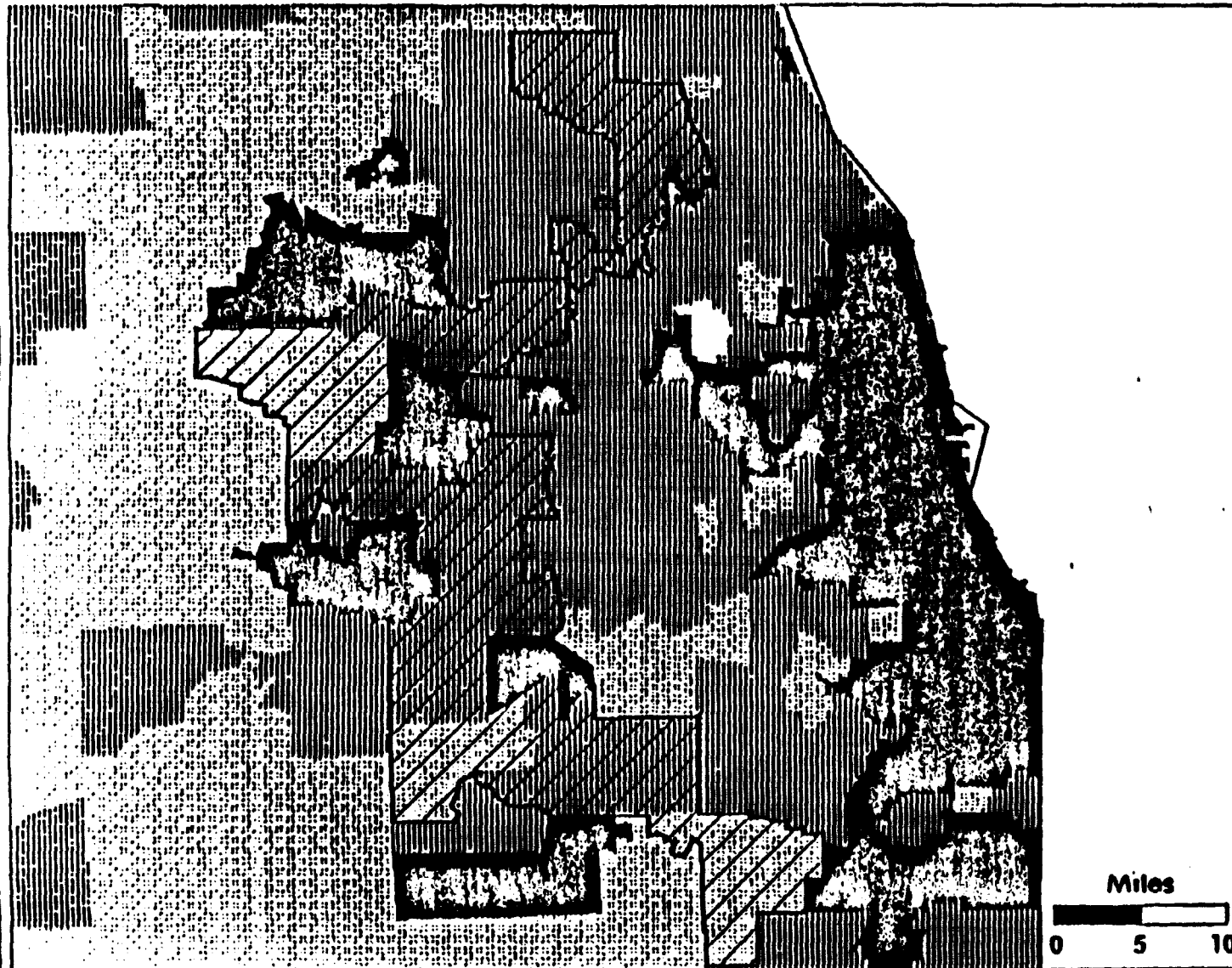
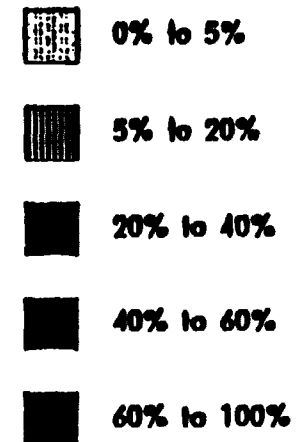


**PERCENT MINORITY ANALYSIS**  
**INITIAL DEPLOYMENT OF VIDEO DIALTONE SERVICE**  
**(FULLY AFFECTED MUNICIPALITIES)**

**KEY**



**PERCENT MINORITY**



Prepared by: PJ Simonik Demo-Graphics

**V. PROPOSED ANTI-REDLINING LEGISLATION**

## **PROPOSED ANTI-REDLINING AMENDMENT**

### **1 SEC. 210B NONDISCRIMINATORY ACCESS AND DEPLOYMENT OF 2 ADVANCED COMMUNICATION SERVICES**

3       **"(a) PROHIBITION OF DISCRIMINATION.** - It shall be unlawful for  
4 any telecommunications carrier with market power to refuse to provide  
5 access to or deploy telecommunications services with either the  
6 purpose or effect of discriminating on the basis of race, national  
7 origin, income, or residence in a rural area. Evidence of a pattern  
8 of under-representation of members of classes protected by this  
9 section in the deployment of telecommunication services shall  
10 constitute the effect of discrimination for the purpose of this  
11 section. Nothing in this section shall be construed to require the  
12 imposition of a quota.

13       **"(b) SUBMISSION OF PLAN FOR PROVISION OF SERVICE.** As a condition  
14 of receiving or renewing a license, franchise, permit or other  
15 authorization to provide telecommunications service, each telecommu-  
16 nications carrier shall submit, to the responsible regulatory  
17 authorities, a plan and periodic reports demonstrating compliance with  
18 subsection (a). Plans and periodic reports shall include all relevant  
19 tract-level census data in a standard form to be prescribed by the  
20 Commission. There shall be opportunity for public review of said  
21 plans and reports, however, the Commission shall adopt procedures for  
22 the protection of proprietary information carriers submit in  
23 compliance with this section from access by competitors.

24       **"(c) RULEMAKING BY THE COMMISSION.** Within one year after the date  
25 of enactment of this section, the Commission shall complete a

1 rulemaking procedure for the purpose of prescribing regulations that  
2 set forth the requirements for compliance with this section, an annual  
3 certification of compliance with the provisions of subsection (a), and  
4 procedures for monitoring and enforcement. In establishing the  
5 requirements for compliance with subsection (a), the Commission shall  
6 consider the best means of ensuring prompt availability of services at  
7 the lowest possible cost to members of the classes protected in  
8 subsection (a), as compared to availability of services provided to  
9 other inhabitants of the same local area. The Commission shall  
10 implement this section in accordance with the law as it existed on  
11 June 4, 1989, with respect to the concept of "business necessity" and  
12 "alternative means".

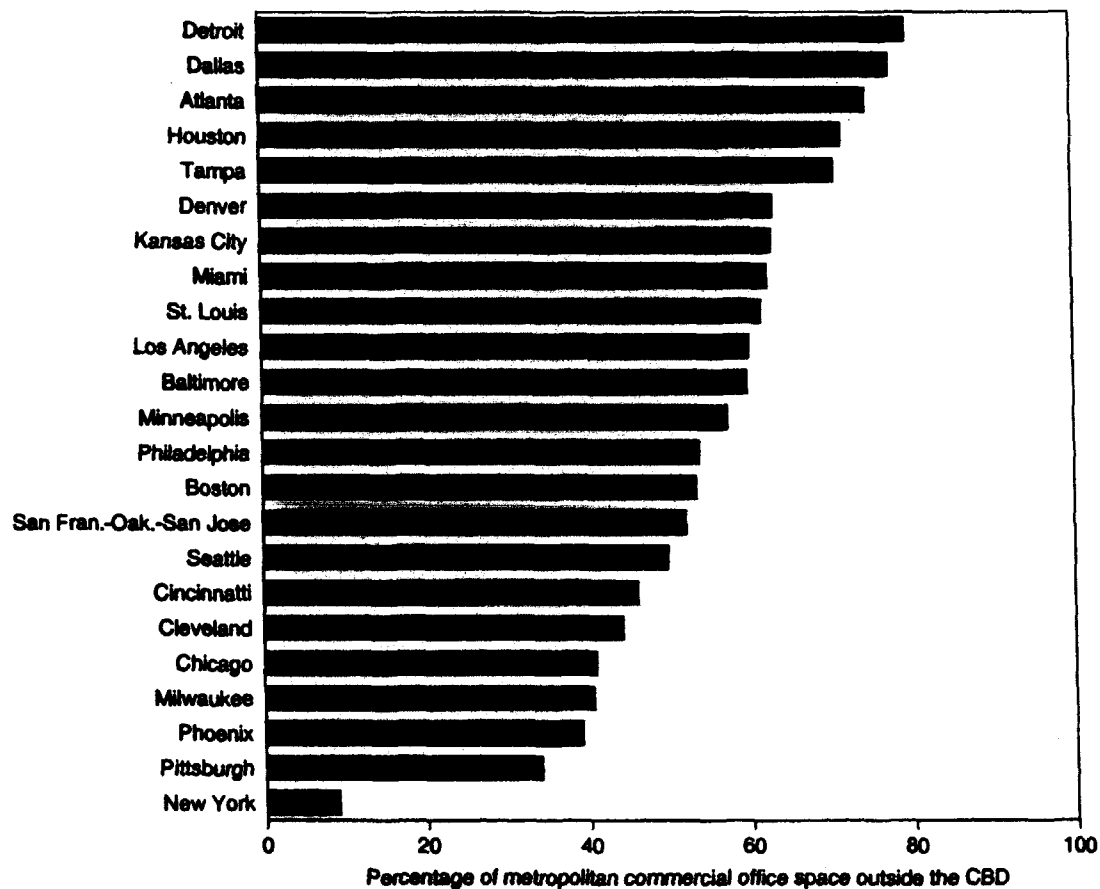
13       "(d) DEFINITIONS.- For the purposes of this Section:

14 i. the term "quota" shall mean a fixed number or percentage of persons  
15 of a particular race, national origin, or income, or a fixed number or  
16 percentage of residents of a rural area, which must be attained, or  
17 which cannot be exceeded, to which a service must be offered.

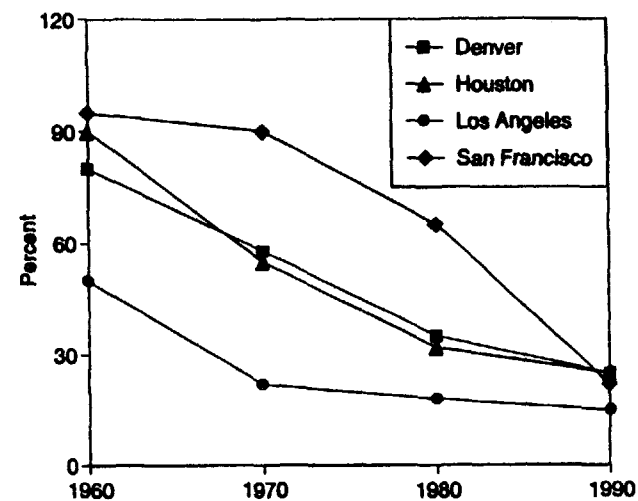
18 ii. the term "market power" shall mean, with respect to a specific  
19 service offering, the potential or demonstrated ability to dominate  
20 factors affecting competition, such as, but not including, price,  
21 choice and quality of service either as a single competitor or in  
22 conjunction with other competitors.

## Appendix II

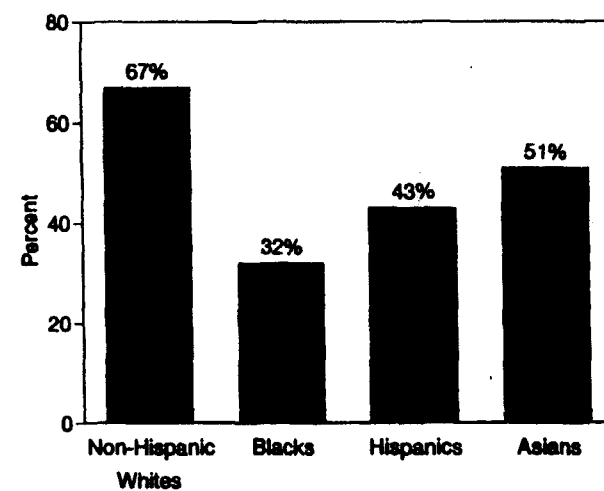
# Percentage of metropolitan commercial office space outside the CBD



SOURCE: U.S. Bureau of the Census, State and Metropolitan Area Data Book, 1991.



SOURCE: Gary Pivo, "The Next Mixed Beads: Suburban Office Development Regions," *APA Journal*, (Autumn, 1990), pp. 457-468.



SOURCE: William H. Frey, "Minority Suburbanization and Continued 'White Flight' in the U.S. Metropolitan areas: Assessing Findings from the 1990 Census," *Research in Community Sociology*, vol. 4, 1994, pp. 15-42.